

Child Support Savings Initiative Program Description

Background

The Child Support Savings Initiative (CSSI) Program is a partnership between Kansas Child Support Services and the Kansas State Treasurer to establish Learning Quest 529 Education Savings accounts. The CSSI program is for children of noncustodial parents owing child support arrears or judgments to the State of Kansas. The State of Kansas, Department for Children and Families, will be the owner of the account with the child named as the beneficiary. This ensures that the funds in the account will only be used for the qualified higher education expenses of the beneficiary. (See the Learning Quest Handbook for a definition of Qualified Higher Education Expenses.)

The CSSI Program is available to any eligible noncustodial parent with no enrollment limits. For every dollar invested in the child's CSSI Program account, two dollars of child support arrears owed to the state will be written off. The noncustodial parent must contribute at least \$25 to open an account.

To receive the credit towards State arrears for each deposit to the CSSI account, the noncustodial parent must make the current child support payment in full during the same month plus pay one dollar (\$1) towards the arrears through the Kansas Payment Center. If there is no current support obligation, then the only payment required would be one dollar (\$1) towards the arrears. If these payments are not made during the same month as the deposit into the CSSI account, then no credit will be given towards the child support arrears owed to the state.

Handbook Variations

This *Program Description* contains variations to the *Learning Quest Handbook* that address how the CSSI account will be registered for your beneficiary and how withdrawals will be handled. All the other terms in the *Learning Quest Handbook* that are not addressed in this *Program Description* will apply to the CSSI Program account.

Eligibility

A noncustodial parent with an open IV-D child support case with Kansas Child Support Services for a minor child with an arrears amount owed to the State of Kansas is eligible to open a CSSI account.

Applicants are encouraged to apply at any time. Once approved, Learning Quest will issue written confirmation of the account and provide payment vouchers that will be routed to you from the Kansas Child Support Services office. The State of Kansas, Department for Children and Families will be listed as the account owner with the child as the beneficiary.

Each child (the designated beneficiary for the CSSI account) may be eligible for only one account under the CSSI Program, but there is no limit to the number of children from the same household that can be eligible. Because credit is given to the noncustodial parent

from Kansas Child Support Services for contributions for a specific child, the beneficiary of the account cannot be changed. If the noncustodial parent already has a Learning Quest 529 Education Savings Program account for the child, any contributions made to that account will not be eligible for credit. Contributions must be made to the new account owned by the KS Department of Children and Families to receive credit.

Account Setup

You must complete a CSSI Application for each account you wish to open. The application will come to Child Support Services initially to verify the noncustodial parent has a child support case for the named beneficiary and there are State owed arrears for the child. Once verified by Child Support Services, the application and opening deposit funds will be sent to Learning Quest to officially process the paperwork and open an account. Prior to completing the CSSI Application, you should review the Learning Quest Handbook which will provide more information on the program as well as the investment options that you may select in which the funds you contribute will be invested.

To open the Learning Quest account, you will need to make *a minimum* one-time contribution of \$25. This deposit must be submitted with the application to open the account. The account will be established for the beneficiary child named on your CSSI application and will default into the Index Age Based Track investment unless you designate a different investment portfolio. The Learning Quest account owner will be the State of Kansas, Department of Children and Families and cannot be changed. The State of Kansas will maintain control of the accounts.

You will be established as an interested third party on the account so that you will receive quarterly statements from Learning Quest any time there is activity in the account for the previous quarter.

Eligible Contributions

Contributions can be made by the noncustodial parent as well as anyone on behalf of the noncustodial parent. Contributions can only be submitted by check or money order **made payable to Learning Quest** and sent direct to Learning Quest at one of the addresses below. Investment slips will be mailed to you when the account opens must be submitted with the check.

Mailing Address

Learning Quest
PO Box 29202
Shawnee Mission, Kansas 66201-9202

Overnight Address

Learning Quest
2534 Madison Ave, 3rd Floor
Kansas City, MO 64108-2335

If additional investment slips are needed please contact Child Support Services at (888)632-7758 for additional forms so we can ensure the correct account number is on the slip.

How the Adjustment Occurs

On a quarterly basis, Child Support Services will review the accounts and make adjustments to any arrears owed to the State of Kansas on eligible cases. Once adjustments are made, the noncustodial parent will be mailed a letter from the Office of Child Support Services with information on the adjustments. Adjustments will be given for deposits made by both the noncustodial parent and other individuals.

Learning Quest Account Transactions

Because the State of Kansas is the account owner, all changes and transactions must be submitted to DCF, this includes name and address changes for the beneficiary. These requests will be received by Child Support Services to verify the accounts exist and forwarded on to Learning Quest for processing. Requests to update information must be submitted in writing to DCF with necessary documentation on the *CSSI Program Information Change Form* that can be obtained from the Child Support Services or at www.dcf.ks.gov/services/CSS/Pages/529.aspx. If the beneficiary passes away prior to distribution of all the funds in the account the funds would then belong to the beneficiary's heirs at law.

Exchanges

You may change the investment option once per year. You may obtain the necessary form by contacting Child Support Services at (888) 632-7758. Child Support Services will provide the account number information on the form for you. If you have questions about the investment options please contact American Century Investments at 1-800-579-2203. Additional information about the investment options can be found in the Learning Quest Handbook.

Qualified Withdrawals

To make a withdrawal from the account, the designated beneficiary will have to provide documentation with the withdrawal application that he/she incurred qualified higher education expenses at any college, university, community college or technical college that is accredited to receive federal financial aid. See the Learning Quest Handbook for more information on "Qualified Higher Education Expenses" and "Eligible Educational Institutions." The beneficiary can either submit receipts for paid expenses or submit a bill from the eligible institution if requesting a check made payable to the institution. If the beneficiary is under the age of 18, the request for withdrawal will also need to be signed by a parent or guardian. Requests for withdrawals must be submitted in writing to Child Support Services on the *CSSI Program Withdrawal Form* that can be obtained from the Child Support Services or at www.dcf.ks.gov/services/CSS/Pages/529.aspx. Child Support Services will verify the account exists and forward the application and documentation to Learning Quest for distribution of the funds.

Nonqualified Withdrawals

If the designated beneficiary does not make a qualified withdrawal by the age of 25, the beneficiary can request a distribution for non-educational purposes. However, any penalties and taxes due on the nonqualified withdrawal will be the responsibility of the beneficiary. Please see the Learning Quest Handbook for more information on nonqualified withdrawals. Nonqualified withdrawals must be submitted in writing to Child Support Services on the *CSSI Program Withdrawal Form* that can be obtained from the Child Support Services or at www.dcf.ks.gov/services/CSS/Pages/529.aspx. Child Support Services will verify the account information and forward the form to Learning Quest for processing.

Rules for death of the noncustodial parent or beneficiary:

If the noncustodial parent dies, his/her rights will be transferred to the custodial parent if he/she survives and then to the beneficiary or a guardian if the beneficiary is under 18 years of age.

If the beneficiary dies, his/her rights will pass to the beneficiary's heirs at law.

Additional Benefits of Opening the 529 Account

Deposits can be withdrawn by the beneficiary tax free for higher education expenses. Additionally, Kansas taxpayers may also be eligible for a deduction on their Kansas income taxes for deposits into a 529 plan.

Contact Information

If you have questions about the program, you can contact Child Support Services at (888)632-7758. If you have questions about Learning Quest you may contact American Century Investments at 1-800-579-2203.